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SUBJECT: DAILY SUMMARY OF JAPANESE PRESS 07/13/07

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ARTICLES:

- (1) Projecting LDP's results in Upper House election; Abe likely to remain in power with 40-50 seats

TOKYO SHIMBUN (Page 3) (Abridged)
July 13, 2007

Some are already talking about Prime Minister Shinzo Abe taking responsibility for the outcome of the July 29 House of Councillors election, for which campaigning got underway just yesterday. Such talk comes from strong concern that the ruling bloc might fail to win a majority in the Upper House in the wake of a series of incidents, such as the pension fiasco and Agriculture Minister

Norihiko Akagi's shady office expenses. This article examines what might happen to Abe and the management of Diet business in the event the ruling coalition lost its majority in the Upper House.

Over 45 seats

Although Abe has not mentioned any specific figure that is likely to result in his resignation, the dominant view in the Liberal Democratic Party is that 44 seats would be the dividing line. The reason is because when the party won only 44 seats in the Upper House election in 1998, then Prime Minister Ryutaro Hashimoto resigned to take responsibility. Abe is likely to stay on if the LDP wins between 45 and 50 seats, even if the ruling bloc loses the Upper House majority.

In an effort to regain a majority, the LDP would then immediately begin approaching such opposition lawmakers as Hiroyuki Arai, who has left the New Party Nippon, and Shinpei Matsushita, who has bolted the Democratic Party of Japan (DPJ or Minshuto) and the People's New Party (PNP). Seats held by Arai, Matsushita, and two PNP members are not contested in the ongoing race. Although PNP head Tamisuke Watanuki ruled out the option of joining the ruling coalition, he has left the door open for an off-cabinet partnership.

In order for the Abe administration to climb out of this critical situation, the ruling bloc needs to take control of the Upper House. A plan is in the works for the LDP to form a unified front with the New Komeito with the aim of blocking the DPJ from seizing the Upper House presidency in order to take the initiative in running Diet affairs.

But if the ruling bloc's maneuvering to win a majority fails, the

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Abe administration would become weak. In such a case, the DPJ is certain to try to vote down ruling bloc-presented bills or to prolong Diet deliberations in the extraordinary session in the fall.

The opposition camp might actually be able to kill some bills, including one to extend the Antiterrorism Special Measures Law, scheduled to expire on November 1, derailing the ruling bloc's Diet measures.

The view might arise that the ruling bloc should present only those bills that are certain to win support of the opposition parties. But the largely modified bills would be de facto legislation mapped out by the opposition camp.

In this scenario, chances are that sooner or later the Abe cabinet would be forced to dissolve itself for a snap general election.

Less than 44 seats

If the LDP won less than 44 seats, ways to prolong the Abe administration's life, such as joining hands with the PNP, would be closed. Despite that, if a "dump Abe" move did not gain ground in the LDP, there might be still some chance for Abe to cling to power. Yet the dominant view in the LDP is that Abe must resign if the party garners less than 44 seats.

Following Abe's resignation, the LDP would immediately begin work to determine his successor.

The LDP would likely to select its new president through a presidential election rather than through talks, for such would be criticized as a back-room deal.

At present, the front-runner in the race to replace Abe is Foreign Minister Taro Aso, who came in second after Abe in the LDP presidential race last September. Former Finance Minister Sadakazu Tanigaki is likely to announce his candidacy, as well.

Additionally, such persons as former Chief Cabinet Secretary Yasuo Fukuda, Defense Minister Yuriko Koike, and even former Prime

Minister Junichiro Koizumi are being mentioned as prospective candidates.

However, even if the prime minister were replaced, the LDP-New Komeito coalition would still be minority parties in the Upper House.

(2) Upper House election battle: Unforeseen occurrences observed in conservative world

ASAHI (Page 4) (Excerpts)
July 13, 2007

Shimane Prefecture: Aoki desperate to solidify LDP power base

Mikio Aoki, chairman of the LDP caucus in the Upper House, yesterday morning was making a speech in front of the Shimane Prefectural Government Office at the top of his voice: "We have never experienced an uphill election fight like this. We had never expected a situation like this six months ago. We are going into the Upper House election, feeling the chill."

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During his own Upper House campaign three years ago, Aoki never returned to his home constituency, but he defeated a rival Democratic Party of Japan (DPJ or Minshuto) candidate by 130,000 votes. However, he plans to visit the constituency this time in order to back incumbent Shuntaro Kageyama's campaign. Aoki is the chairman of the Shimane LDP Prefectural Chapter and is responsible for the LDP election headquarters there. Even so, it is unusual for Aoki, who is in a position of controlling the ruling camp in the election campaign all over the country, to visit the constituency twice.

The ruling parties are suffering from a setback following the pension fiasco and gaffes and scandals caused by cabinet ministers to an extent that cannot be salvaged with organized votes. Aoki is determined to do his utmost, noting: "Anything could happen in elections. If we lose in Shimane, we will lose nationwide."

Kageyama on June 30 returned to Matsue on the first morning plane as soon as the Upper House plenary session ended. He visited 11 places and explained the pension issue. His supporters listened to him, while nodding, but the waves of negative reaction remained unabated.

"We telephoned our supporters, but some replied, 'I will not vote for the LDP this time.'" "We are not receiving many application forms for membership in the LDP supporters organization."

The headquarters has received a number of reports on "unforeseen occurrences." The results of a survey the LDP carried out were reported at a meeting of prefectural assembly members on July 3. The report noted: "We have not yet secured support from 40 % of LDP supporters." Senior officials of the election headquarters were shocked and said that they had not expected that public opinion was so critical of the government.

When Kageyama started his election campaign on the morning of July 12, Aoki made a public appeal, introducing the government's measures: "These are commitments made by the prime minister of the country. Please put trust in the words of Prime Minister Abe."

In the meantime, the Democratic Party of Japan (DPJ or Minshuto) was having difficulty picking up candidates. It in the end decided to recommend Akiko Kamei fielded by the People's New Party (PNP), the daughter of PNP Secretary General Hisaoki Kamei. She was the last person named but is running for a single-seat constituency backed by the DPJ.

Even so, she is increasingly gaining support, backed by a favorable trend. The focus of her campaign is criticism of the structural reforms under the Koizumi and Abe administrations.

Shimane Prefecture's public works in fiscal 2006 stood at 129.7

billion yen, just over half the amount of the peak year of fiscal 1998. Local industries, which have supported the LDP, are taking a severe beating from the decline in public works. Akiko Kamei said, "Even LDP supporters think that politics has gone strange recently."

Nagasaki: Pictures taken with prime minister removed

Kiyoshige Okubo of the DPJ on the morning of the 12th stressed

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during a kick-off ceremony of his campaign held at a large shopping mall in Nagasaki City: "Cabinet ministers have made too many controversial activities and statements. Former Agriculture Minister Toshikatsu Matsuoka killed himself. Prime Minister Abe is responsible for appointing them."

He criticized the prime minister over the shady ties between politics and money, an issue that has been rekindled due to Agriculture Minister Akagi's office expenses issue. He then aimed his attack at Akio Kyuma, elected from the same constituency, who quit over another gaffe. Okubo said: "Many people were victims of the atomic bombings. They have been engaged in activities to abolish nuclear weapons and achieve world peace. Mr. Kyuma's statement trampled on their efforts. I cannot forgive such a statement."

In a speech made in front of fishermen and brokers, who assembled at the fish market at Port Fukue on Goto Island, he responded to a request by executives of the fishermen's association. He was able to do so, because a prefectural assembly member elected from Goto is a DPJ member. When Tadatoshi Komine, who is running on the LDP ticket, visited the fish market a week ago, there was no such a request made by officials of the fishermen's association.

Kyuma's remark dealt too heavy a blow to Komine. The LDP election headquarters and prefectural chapter received dozens of phone calls protesting the remark. LDP lawmakers repeatedly offered apologies at various meetings.

Senior members of the LDP Nagasaki Chapter during Komine's rally told attendants that it has been only six months since Komine joined the LDP and that he shares with them the perception that the LDP lacks discipline. The strategy was to distance himself from the LDP in order to head off the setback. He removed election posters carrying a picture of him and Prime Minister Abe from billboards.

Kyuma did not attend a kick-off ceremony for Komine's campaign, though it was he who helped Komine get selected as an LDP candidate. Komine did not touch on the Kyuma gaffe issue at all, saying: "I come from peasant and fisherman stock. I would like to change the LDP from a perspective of an average person."

Commenting on Komine's difficult situation, Tsutomu Tomioka, an LDP Lower House member elected from proportional representation, noted, "He has suffered from a setback, another setback, a storm and then torrential rain caused by the defense minister's remark."

(3) 2007 Upper House election; Candidates reluctant to speak of politics-money issue

NIKKEI (Page 39) (Excerpts)
July 13, 2007

The official campaigning for the July 29 House of Councillors election started yesterday.

Ibaraki prefectural district

A 64-year-old candidate running in the Ibaraki prefectural district, which has been shaken by a political-fund scandal involving Agriculture, Forestry and Fisheries Minister Norihiko Akagi's political management organization, hardly mentioned the issue of "politics and money" in his campaign speech, focusing instead on the

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economy and the pension-record mismanagement by the Social Insurance Agency (SIA). He said: "I will let the central government know how severe our economic situation is;" and "I will do my best to have the SIA dissolved."

Two seats are up for reelection in the Ibaraki constituency, one previously held by the ruling Liberal Democratic Party (LDP) and the other by the largest opposition party Minshuto (Democratic Party of Japan). A senior LDP Election Strategy Headquarters member, who is perplexed by the money scandal coming to the forefront immediately before the start of the campaign for the Upper House election, said: "Like the Agriculture Minister, I, too, have called for reform of agricultural policy. However, I am reluctant to mention the name of the farm minister." Reportedly Akagi has no plan to deliver a speech on behalf of the LDP candidate.

Opposition candidates, though, made severe comments (on the money-politics issue).

The 57-year-old Minshuto first-time candidate stated, "All political organizations should disclose all receipts. The 55-year-old Japanese Communist Party (JCP) candidate stressed: "The (agricultural minister) should step down from his post if he cannot disclose the facts."

Most voters nodded in assent to the above calls, but one person said, "I want to cast my vote in consideration of policies affecting my livelihood." A 78-year-old self-employed man, a resident of Mito City, said: "I want someone to change the present political situation of neglecting rural areas. Many shutters have been closed for good on our shopping streets."

Kumamoto

In Kumamoto Prefecture, the Upper House election and a by-election to fill a Lower House seat that fell vacant after former Agriculture Minister Toshikatsu Matsuoka committed suicide one month ago will be conducted the same day. Candidates running in the Kumamoto electoral district in the Upper House race also focused on the money-politics issue in their campaign speeches.

The first-time Minshuto candidate, 56, who is running in the conservative district, in which one seat is up for election, took a stance of pursuing Akagi, saying: "The agricultural minister's problem is the same as (Matsuoka's)." A 53-year-old incumbent lawmaker, however, placed priority on local issues, noting, "I will revitalize agriculture, forestry and fisheries industries and small businesses."

The LDP gave up on filing a candidate in the Lower House by-election for the Kumamoto No. 3 district. A 56-year-old former Lower House member, who is expected to run in the race and who fought against Matsuoka in the two past elections, advocated carrying out clean politics. A Kumamoto prefectural assembly member, who is backed by Matsuoka's support group, stressed, "I want to remove the fetters on me. But I wonder whether I would then be able to win the votes that Matsuoka had sewed up."

Iwate

Iwate Prefecture is the constituency where Minshuto President Ichiro Ozawa hails from. There was a controversy over Ozawa's political management organization's possession of huge amount of properties.

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In the Iwate prefectural district, no candidates talked about this problem. A supporter for the 36-year-old LDP first-comer candidate said, "Criticizing each other is meaningless."

Candidates advocated that they would make efforts to revitalize local industries and resolve the shortage of medical doctors. They referred little to a revision of the Political Funds Control Law, as well as the politics and money issue. The 53-year-old Minshuto candidate, an incumbent Upper House member, only said, "I want to prevent the ruling coalition from running amok."

(4) Koike withholds judgment on realignment subsidy for Nago

RYUKYU SHIMPO (Page 2) (Abridged slightly)
July 12, 2007

TOKYO-Defense Minister YuriKo Koike responded to a press interview at her ministry yesterday afternoon for pool coverage including the Ryukyu ShimpO. In the interview, there was a question asked if she thought the city of Nago was being considered at this point for the government's plan to subsidize base-hosting municipalities cooperating in the process of realigning US forces in Japan under the US Forces Realignment Promotion Special Measures Law. Koike withheld her judgment, saying, "I'd like to reserve judgment on whether to so consider." With this, she indicated that she would listen to Nago's standpoint at the stage of giving consideration to that possibility.

On the question of whether the government would consider Nago for a realignment subsidy, Koike's predecessor, Fumio Kyuma, had indicated that Nago would be eligible for the initial outlay of 10 % in subsidization because the city has accepted the planned relocation of the US Marine Corps' Futenma Air Station. Koike, in her remarks this time, backpedaled on Kyuma's remarks.

Asked about realignment subsidization, Koike said the government would factor in whether the realignment would proceed in a steady way. Meanwhile, Koike also said the government would consider how to use the special measures law. She added that she would make a judgment "while listening to Nago's views."

In the meantime, Nago City and Okinawa Prefecture have asked the government to revise its Futenma relocation plan, calling for the government to install an alternative facility in waters off the coast of Nago City (instead of laying down a V-shaped pair of airstrips in a coastal area of Camp Schwab in the city). Koike, however, reiterated her negative view about altering the plan, saying: "The plan to build airstrips in a V-shape is based on an overall decision that was made from various perspectives, such as how to preserve the environment, including coral and seaweed beds, and how effectively to use the new airfield. This is an extremely important issue-that is not only from the aspect of carrying out base relocation but also in the sense of defending our country and ensuring security in the region. We should resolve this issue as early as possible."

Koike also suggested the need for the government and Okinawa's prefectural and municipal governments to hold a meeting at the earliest possible time to discuss Futenma relocation. In the meantime, the government will have to inform the Okinawa prefectural government in written form of how to conduct an environmental impact assessment of the relocation site. "We'd like to take procedures at

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an early date," Koike said. For that purpose, Koike added that the government wants to ask for local understanding.

Commentary: Koike follows vice minister's remarks

Defense Minister YuriKo Koike's press remarks on US military realignment subsidies denote that she has backed down from her predecessor's view. Moreover, the new defense minister has also changed her own attitude she has shown over a package of economic incentives for Okinawa Prefecture's northern districts. Her remarks reflect a strong imprint of the influence of Administrative Vice Defense Minister Takemasa Moriya, who is repulsed by Nago City's call for the government to revise the government's Futenma alternative facility plan and who is negative about subsidizing Nago City.

In late May 2006, when Koike was a minister of state for Okinawa, the government decided in a cabinet meeting to repeal its cabinet decision of 1999 that incorporated a package of economic promotion measures for Okinawa Prefecture's northern localities. Koike then underscored her consideration for local communities, saying, "Okinawa Prefecture and Nago City have yet to agree."

However, Koike, now defense minister, inclined at once to the Defense Ministry in what she said. In yesterday's interview, Koike was careful about her words, saying, "We need to listen to Nago City for its needs as well." There was another question from a reporter. "This is important, so I want to confirm what to say." With this, Koike read an answer paper prepared by her ministry's administrative officials.

Koike said she would make a judgment "while listening to Nago City's opinion." So saying, Koike stressed her future course of action. However, she only followed what Moriya said in May. The vice minister said the government "will now work on making a decision."

Koike may come out with her own views in the future as she gets used to her job as defense minister. However, her ministry's officials want to push ahead with Futenma relocation based on the government's plan. After the upcoming House of Councillors election, they will presumably gear up for Futenma relocation. Nago City and Okinawa Prefecture will likely be in an even more difficult position.

(5) Guam gov. positive about hosting Marines

OKINAWA TIMES (Page 2) (Full)
July 12, 2007

Guam, July 11-A delegation of mayors from 11 municipalities in the middle part of Okinawa Prefecture, led by Okinawa Mayor Mitsuko Tomon, is now visiting Guam to look into the possible impact of moving US Marine Corps from Okinawa to Guam in the process of realigning US forces in Japan. The delegation today called on Guam Gov. Felix Camacho. In addition, the group also visited the US Navy's Apra base and the Guam Chamber of Commerce. "We will welcome the Marines," the governor said, "and we want to invite many more US troops." The governor also revealed that he would go to Washington on Aug. 2 to talk with US government officials about issues relating to the US military's realignment.

Gov. Camacho explained that the US military realigned its presence on Guam and closed down some of its bases on the island in 1996. As

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a result, the island's economy stagnated, the governor said. The US Marine Corps is now planning to move Okinawa-based troops and families totaling 17,000. "It will have an economic impact we've never experienced," the governor said. He also said, "We'd like to work together with the local business community while establishing a friendship with the military." With this, he indicated that Guam would invite US troops to boost its economy.

In addition, Gov. Camacho also said he would like to ask the Pentagon for ways and means, noting the indispensability of infrastructure construction for Guam to host the Marines. The governor also revealed that he has been invited by Okinawa Gov. Hirokazu Nakaima to visit Okinawa. "I will visit Okinawa with the lieutenant governor, and I'd like to share what the people of Okinawa are feeling," he said.

At the Apra base, the delegation met with Capt. Robert Lee, acting director of the Joint Guam Program Office-Forward. In the meeting there, Capt. Lee explained: 1) there will be a sharp increase in the number of US troops and family dependents from 14,200 at present to 40,000 after realignment; and 2) the US military will create an environmental impact report by 2010 and complete base construction by 2014. Capt. Lee also said the Marines would relocate fixed-wing aircraft and helicopters to Andersen Air Base "as soon as possible."

At the Guam Chamber of Commerce, the delegation met with GCC President Eloise Baza and other executives. According to GCC President Baza, the GCC found from its poll of local residents in April this year that 71 % were in favor of accepting Marine relocation to Guam. "There are growing expectations for economic ripple effects," she said. With this, the local business leader welcomed Marine relocation to Guam.

SCHIEFFER